

Overview & Scrutiny Committee – Meeting held on Thursday, 5th February, 2015.

Present:- Councillors Nazir (Chair), Smith (Vice-Chair), Malik (from 6.43pm), Rana and Usmani.

Apologies for Absence:- Councillor Bal, Chahal, N Holledge and Pantelic

PART I

34. Declaration of Interest

None were received.

35. Minutes of the Last Meeting held on 11 November 2014

Resolved – That the minutes of the last meeting held on 11th November, 2014 be approved as a correct record.

36. Member Questions

None were received.

37. Performance and Finance Report 2014/15 - Quarter 3

The Committee considered details of the Quarter 3 Performance and Finance report. Although the Council was forecasting an overspend of £700k remedial action had managed to reduce the overspend by £270k compared to the previous month. The Council was continuing to work towards decreasing the overspend by the end of the financial year as the current position was likely to have a significant impact on the Council's General Reserves. Members were informed that the Council had developed a recovery plan in Children's Social Care to mitigate the in year budgetary pressures and reduce them going into future years. All other Council service areas would continue to review all budget areas to drive out further underspends.

The main area showing an overspend continued to be the Children's and Families Service area with a forecast overspend of £1.38m. Although the area's overspend had increased by £160k, this had been more than offset by an improved position within the Education (Non Schools) service area.

The latest position for the Council's balanced scorecard was outlined. Key areas of noteworthy concern and more than 5% adrift of their currently defined target values were highlighted as average staff sickness rate (days lost per FTE), number of families placed in Bed and Breakfast and percentage of single assessments completed and authorised within 45 working days.

Referring to the net total of £1.662m that had been written off during the third quarter of 2014/15, the Assistant Director was asked what steps were being

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taken to minimise the risk of write offs in future. The Panel were informed the majority that the majority off write offs related to business rates and explained the difficulties in tracing businesses that had gone into administration. It was agreed that details of the number of current and historic cases would be provided in the next quarterly report.

Following an update in progress regarding the Council's Gold Projects, a Member queried whether the timescale for completion of The Curve had been delayed, given the fact that asbestos had been discovered on site and the capacity for ICT support to meet deadlines and complete work on schedule was shown as red status. Members were assured that the project was still anticipated to be completed within budget by December 2015.

(Councillor Malik joined the meeting)

A Member expressed concern regarding the percentage of single assessments completed and authorised within the relevant time period. The Assistant Director explained that this indicator had achieved significant improvement - 85.9% in comparison to an approximate 60% compliance rate for the previous quarter. The nationally set target for this indicator was demanding at 100% hence the status would remain as red.

Further information was sought regarding sickness levels and what measures were being implemented to address the issues that were continuing to contribute to this indicator remaining at red status. Members were advised that the Employment and Appeals Committee at its meeting in January 2015 considered a report which detailed sickness absence levels by directorate and any relevant action that was being taken. It was agreed that the report would be circulated to Committee Members.

Members discussed the various restructures currently taking place across the Council and requested further details regarding the Council's Re-Deployment Policy. The Committee agreed that the Assistant Director, Professional Services, be invited to the April Committee meeting to discuss the implementation of the Re-Deployment Process, including the number of vacancies and the number of individuals matched to them.

The summary of the six Gold Projects updates as at December 2014 indicated that the overall status of all six projects had been assessed as amber.

Resolved – That the report be noted.

38. **Medium Term Financial Strategy 2015/2019**

The Assistant Director, Finance and Audit, set out the Council's medium and longer term financial assumptions and the different approaches the Council would take to manage these. The Council's financial position needed to be considered by being in the middle of a long term process of contracting public

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spending. Since 2010, Government spending on Local Government as a whole had reduced by 25% and the impact on the Council had been significant.

Analysis from the Local Government Association highlighted that the Council was at a greater risk than many other Councils of delivering its services within the funding available to it. It was explained that this was due to rising pressures from within the Council services in Children's and Adults social care but also because the Council was exposed to risk from business rates and falling government grants. Although many Councils were facing a risk from one of these funding sources, Slough faced a significant risk from both these areas due to it having a large business community and a higher level of financial need in comparison to other Councils.

It was predicted that the Council tax and retained business rates over the period of the Medium Term Financial Strategy (MTFS) were likely to increase from 63% to almost 80% of the Council's income and therefore result in the Council being much less reliant upon Government funding. To reflect this the Council had made retaining existing businesses and attracting new businesses as well as ensuring a strong supply of housing, two of the key outcomes in the Council's Five Year Plan.

In the ensuing discussion, a Member expressed concern relating to risk exposure around business rates, specifically referring to the potential loss of Poyle Industrial Estate if the planned expansion at Heathrow was implemented. The Assistant Director informed the Committee that business rates would be re-evaluated by the Government in 2020 and that the Council had over £1 million in reserves to address the issue of volatility in business rates.

Responding to the impact the externalisation of the Children's Social Care would have upon the Council's finances, Members were advised that the Council would be presented with a new financial challenge to ensure that the provision and cost of these services remained affordable in light of the other pressures placed upon the Council for its services over the MTFS.

Further details were requested regarding how the proposed savings of £2 million and 20% reduction in the Council's corporate footprint within four years would be achieved. It was noted that savings would be achieved through the disposal of surplus and unsustainable premises, with a view to consolidating staff to a smaller footprint.

Resolved - That the report be noted.

39. Revenue Budget 2015/16

Details of the revenue budget 2015/16, including proposed levels of council tax and increase in fees and charges were outlined. It was highlighted that 2015/16 was set to be a financially difficult year for the Council, with a

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continued reduction in Government funding, as well as an increased demand for Council services.

A number of points were raised in the ensuing discussion, including the proposed increase in the fees for sport pitch hire. A Member asked for clarification regarding the proposed fees, given that the Council was actively attempting to increase the number of individuals involved in leisure activities. It was explained that although the increase in fees for pitch hire exceeded inflation plus 3%, a benchmark exercise had been carried out and the proposed fee levels were similar to those charged by neighbouring and/or similar local authorities. A number of Members commented that neighbouring local authorities had a Residents Card Scheme, with differential fee rates on a range of services, including sport pitch hire. The Committee agreed that a recommendation be made to Cabinet to investigate the feasibility of the introduction of a Residents Card.

Responding to what action was being taken to ensure that small and micro businesses had suitable and cost effective office space in the town centre, Committee Members were informed that the economic development team were liaising with relevant businesses, providing advice and support.

It was noted that the revenue budget was proposing a 0% council tax rise for the local tax payer for 2015/16 and delivery of this was based on a variety of saving measures that were geared towards minimising the impact on service users.

Recommendation to Cabinet – The Cabinet is requested to resolve that Officers be authorised to investigate the feasibility of implementing a Residents Card for differential fee rates for Residents and Non Residents, on a range of services, including sport pitch hire.

40. Capital Strategy 2015/2020

The Assistant Director, Finance and Audit, stated that the Council had a wide ranging number of capital commitments and purposes. The core principles which guided the capital strategy were highlighted. It was noted that the Council had a variety of sources of funding for the capital strategy, the majority of which came via grant funding and capital receipts.

A Member requested further details regarding the allocation of the Community Investment Fund. It was explained that the Community Investment Fund Programme for 2015/16 had an indicative budget of £650k with the majority of this fund being spent on neighbourhood enhancements through identified Member need in the wards across the Borough.

Resolved – That the report be noted.

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41. Treasury Management Strategy 2015/16

The Committee considered details of the Treasury Management Strategy 2015/16. The current levels of investments and the type of institution invested in were summarised. It was noted that investments in the Property Fund currently totalled £7 million and Members views were sought with regard to increasing investment to this fund to £10 million.

Members discussed the current economic climate and future forecasts and agreed that the proposed increase in funds to the property portfolio be made.

Recommendation to Cabinet - The Cabinet is requested to recommend that investment in the property fund portfolio increase from £7 million to £10 million.

42. Five Year Plan 2015/2020

The Head of Strategic Policy and Communications presented the Council's new Five Year Plan to the Committee. Members were reminded that the Council had a Corporate Plan, which set out the objectives and key actions of the organisation since 2012/13. However, as a result of the funding challenges the Council was operating within, it was agreed that the Council would develop a Five Year Plan which would set out a vision for the Borough against which the Council would prioritise its resources.

Details of the Five Year Plan, including the eight outcomes and outcome plans were outlined. The outcome plans would be developed to include detailed delivery information and to provide a means of monitoring performance. A performance framework, including a new corporate balanced scorecard was being developed and monitoring information would be brought to the Committee for scrutiny on a regular basis.

Whilst Committee Members acknowledged their role in monitoring the implementation of the Plan, it was requested that the detailed outcome plans be submitted to a future meeting. Members would then give due consideration as to which specific areas they would analyse and scrutinise in further depth.

Resolved – That an update report on the development of the Five Year Plan be submitted to the April meeting of the Committee.

43. Children's Services Transition Project

The Strategic Director, Customer and Community Services updated the Committee on the work to date, work currently being undertaken and that planned for the transition of Children's Services to a new organisation.

Members were reminded that the Council's services for children in need of help and protection, looked after children and the effectiveness of the Local Safeguarding Children Board were deemed inadequate by Ofsted in February 2014. As a result, the Secretary of State issued a Direction in October 2014,

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which required the Council's Children's services function to be delivered by an external body. The Direction also provided for the appointment of a Commissioner to secure improvement in the Council's performance of its children's social care functions, including establishing the new organisation. The Committee were informed that Ms Eleanor Brazil had been appointed as Commissioner.

It was brought to the Committee's attention that although a new model would be implemented to deliver children's services the Council would retain all its legal obligations for the statutory duties. It was clarified however, that the Council would have limited control over how the children's social care functions were delivered and holding the new organisation to account. Following a Member query, it was noted that the full legal implications would only be known once the details of the new organisation and scope of services had been determined.

Members sought clarification regarding implications for the Council's workforce. It was explained that externalisation of the service area would involve a transfer of approximately 240 current employees to the new organisation but until the Secretary of State had confirmed details regarding the scope of functions for the new organisation, the Council was unable to commence any TUPE consultation process with affected staff.

Concern was expressed regarding what, if any, financial implications would arise from establishing an external provider to deliver the Council's children's services functions. The Strategic Director explained that there would be significant interim costs to the Authority as a result of having to comply with the terms of the Direction as well as the additional running costs of the new external provider. These costs would arise from the overheads of the new organisation, the reduction in economies of scale for the Council, the scope of services externalised and the necessary project capacity to enable the design, establishment and transfer. Members were informed that the Secretary of State had confirmed that some of these costs would not have to be borne by the Council and local tax payer and that the Council would continue to act rigorously and fairly in securing this outcome.

In response to how long the external provider would run the children's services for the Council, officers explained that a timeframe of five years had been proposed. Targets for the new organisation to achieve would be set out in the contract, with a view to achieving a Good rating on the Ofsted scale within three years of the start of the contract and an Outstanding rating within five years.

Resolved – That progress of the transition project to date be noted and that a further update report be submitted to the April meeting of the Committee.

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44. Forward Work Programme

Members considered details of the work programme for the Committee. The Scrutiny Officer informed Members that the final report of the Car Park Task and Finish Group would be submitted to the April meeting.

A Member raised the issue of abandoned cars and whether the Borough had a strategy to deal with such vehicles and reasons for an increase in the number of abandoned vehicles. It was agreed that a written information report would be submitted for consideration to the next meeting of the Committee.

Resolved – That details of the work programme be noted

45. Attendance Record

Resolved – That details of the Members Attendance Record be noted.

46. Date of Next Meeting - 3 March 2015

The date of the next meeting was confirmed as Tuesday 3 March, 2015.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.50 pm)